New Mexico Labor Market Review

55624-2
7-12-89

Garrey Carruthers
Governor

Paul M. Garcia
Secretary

New Mexico Department of Labor

Volume 18, No. 5, June 30, 1989
Prepared by
Economic Research and Analysis
P.O. Box 1928
Albuquerque, New Mexico 87103
(505) 841-8645

New Mexico's unemployment rate fell for the second straight month in May, dropping from 7.0 to 6.5 percent, according to estimates released by Paul Garcia, Secretary of the New Mexico Department of Labor. This represents the state's lowest May unemployment rate since 1979. Approximately 12,100 fewer persons are now unemployed in New Mexico compared with May of last year when the jobless rate hovered at 8.3 percent. The number of New Mexicans receiving unemployment insurance declined by 7.5 percent this year, falling from a monthly average of 12,135 in the first five months of 1988 to a monthly average of 11,226 for the same time period in 1989. The U.S. unemployment rate (not seasonally adjusted) was 5.0 percent in May, down from 5.1 percent in April and 5.4 percent last May. The Consumer Price Index (all urban consumers) for the nation increased by 0.6 percent over the month for a May 1988 to May 1989 increase of 5.4 percent. A comparison of the New Mexico unemployment rate for April (the latest month for which data are available) with neighboring states showed that Colorado and Texas had unemployment rates virtually identical to New Mexico's at 6.8 and 7.0 respectively. Oklahoma, Arizona, and Utah had rates somewhat lower at 5.7, 5.4 and 5.1 percent. The Louisiana rate of 9.6 percent was the highest in the nation in April.

Nonagricultural payroll employment in New Mexico rose by 2,600 jobs between April and May to reach a total of 553,300. Construction, manufacturing, trade and services showed gains over April but construction growth was less than the usual seasonal increase. The manufacturing growth was due to an increase in lumber products as well as numerous minor increases in "other" durable and nondurable items. The mining, transportation & public utilities, and government sectors all lost jobs since April. Oil and gas extraction lost 100 jobs, accounting for the decline in mining. Communication & public utilities lost 300 jobs since April, while transportation gained 200 jobs. The decline in the government sector was due to the end of spring semester at some state universities.

The Department of Labor employer survey of nonagricultural employment shows a May-to-May increase of 13,800 jobs statewide (a 2.6 percent annual increase) despite continuing weakness in mining, construction and transportation & public utilities. Significant contributors to the annual increase include manufacturing (1,500 jobs), trade (4,800), services (4,700) and government (3,800). The forward impetus of the growing sectors continues to result in employment momentum for the state.

	Prel.	Revised		Change From	
	May. 1989	Apr. 1989	May. 1988	Apr. 1989	May. 1988
Civilian Labor Force	691,200	683,700	684,700	+7,500	+6,500
Employment	646,600	635,700	628,000	+10,900	+18,600
Unemployment	44,600	48,000	56,700	-3,400	-12,100
Rate	6.5%	7.0%	8.3%		

ESTIMATED NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT (JOBS)
(Prepared in cooperation with the U.S. Bureau of Labor Statistics)

NEW MEXICO	PRELIM MAY 1989	REVISED APR 1989	REVISED MAY 1988	MAY CHANGE FROM APR 1989	MAY CHANGE FROM MAY 1988
TOTAL NONAGRICULTURAL EMPLOYMENT 1/	553,300	550,700	539,500	2,600	13,800
MINING	15,200	15,300	15,300	-100	-100
Metal Mining	2,000	2,000	2,000	0	0
Bituminous Coal, Quarrying etc	4,100	4,100	4,000	0	100
Oil & Gas Extraction	9,100	9,200	9,300	-100	-200
CONSTRUCTION	29,900	29,200	30,700	700	-800
MANUFACTURING	40,700	40,400	39,200	300	1,500
DURABLE GOODS	27,800	27,600	26,500	200	1,300
Lumber & Wood Products	2,500	2,400	2,500	100	0
Machinery(except electric)	2,700	2,700	2,600	0	100
Elec & Electronic Equip	5,700	5,700	5,300	0	400
Transportation Equipment	5,300	5,400	5,100	-100	200
Other Durable Goods	11,600	11,400	11,000	200	600
NONDURABLE GOODS	12,900	12,800	12,700	100	200
Food & Kindred Products	3,700	3,700	3,600	0	100
Textile & Apparel	2,600	2,600	2,700	0	-100
Other Nondurable Goods	6,600	6,500	6,400	100	200
TRANSPORTATION & PUBLIC UTILITIES	28,600	28,700	29,200	-100	-600
TRANSPORTATION	13,800	13,600	13,500	200	300
Railroad Transportation	2,000	1,900	2,100	100	-100
Trucking & Warehousing	6,800	6,700	6,500	100	300
Other Transportation	5,000	5,000	4,900	0	100
COMMUNICATION & PUBLIC UTILITIES	14,800	15,100	15,700	-300	-900
Communication	6,500	6,600	6,600	-100	-100
Elec, Gas, & Sanitary Services	8,300	8,500	9,100	-200	-800
WHOLESALE & RETAIL TRADE	134,100	132,200	129,300	1,900	4,800
WHOLESALE TRADE	23,400	23,400	23,200	0	200
Durable Goods	13,600	13,600	13,400	0	200
Nondurable Goods	9,800	9,800	9,800	0	0
RETAIL TRADE	110,700	108,800	106,100	1,900	4,600
Bldg Material & Mobile Homes	4,500	4,300	4,300	200	200
General Merchandise Stores	12,300	12,000	11,700	300	600
Food Stores	15,100	14,800	14,600	300	500
Auto Dealers & Service Stations	13,900	13,800	13,700	100	200
Apparel & Accessories	5,300	5,300	5,200	0	100
Furniture & Furnishing	4,300	4,300	4,400	0	-100
Eating & Drinking Places	43,100	42,100	40,400	1,000	2,700
Miscellaneous Retail	12,200	12,200	11,800	0	400
FINANCE, INSURANCE, & REAL ESTATE	27,500	27,500	27,000	0	500
Banking	7,900	7,900	8,100	0	-200
Insurance Carriers	4,200	4,200	4,000	0	200
Insur Agents, Brokers & Service	3,100	3,100	3,000	0	100
Real Estate	6,500	6,400	6,000	100	500
Other Fin, Ins & Real Estate	5,800	5,900	5,900	-100	-100
SERVICES	132,000	131,200	127,300	800	4,700
Hotels & Other Lodging Places	12,000	11,500	11,400	500	600
Personal Services	6,100	6,600	6,000	-500	100
Business Services	32,300	32,100	31,300	200	1,000
Health Services	32,300	32,100	31,600	200	700
Legal Services	4,500	4,500	4,400	0	100
Educational Services	5,900	5,900	5,500	0	400
Social Services	7,900	7,900	7,700	0	200
Membership Organizations	6,300	6,000	6,400	300	-100
Other Services	24,700	24,600	23,000	100	1,700
TOTAL GOVERNMENT	145,300	146,200	141,500	-900	3,800
FEDERAL GOVERNMENT	31,100	30,600	30,300	500	800
STATE & LOCAL GOVERNMENT	114,200	115,600	111,200	-1,400	3,000
State Government 2/	50,000	51,500	48,700	-1,500	1,300
Universities	22,200	23,900	21,600	-1,700	600
Local Government	64,200	64,100	62,500	100	1,700
Schools	39,600	39,900	38,700	-300	900

1/ Estimates include all full-time and part-time wage and salary workers who worked or received pay during the pay period which included the 12th day of the month. Self-employed, family workers, household workers and members of the Armed Forces are excluded.
2/ Includes employees of Los Alamos National Laboratory.

ALBUQUERQUE AREA (BERNALILLO COUNTY)

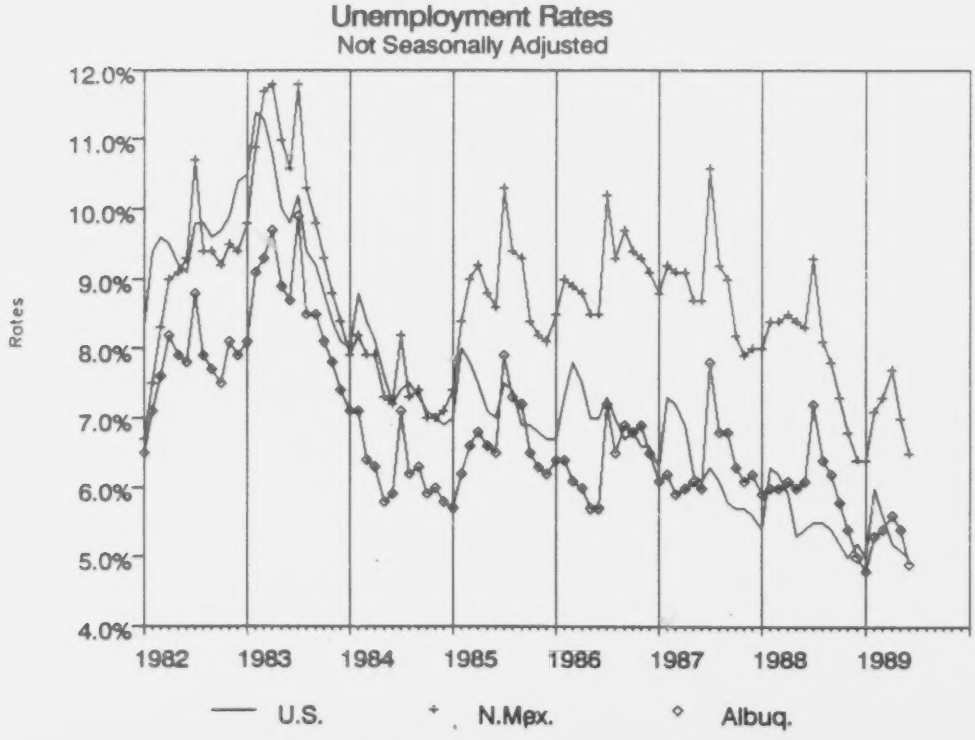
Albuquerque's unemployment rate is now at 4.9 percent or 5 tenths of a percentage point lower than in April. Unemployment decreased by 1,200 since April while the number of Albuquerque job seekers was 3,100 less than in May 1988.

According to the monthly survey of employers in Albuquerque, changes in most sectors of nonagricultural employment were slight. Employment in the mining, transportation & public utilities, and services sectors was stable over the month. Manufacturing lost 100 and government 400 jobs since April. In manufacturing, the durable goods subsector was down over the month, due mainly to a layoff at a major employer in the transportation equipment sector. Construction grew by 300 jobs, somewhat less than could be expected given the onset of summer weather. Trade increased by 800 and finance, insurance & real estate by 100 over April, both increases better than the seasonal expectations.

Total nonagricultural employment in Bernalillo County grew by 5,000 since May 1988 for a 2.1 percent annual increase. Construction showed no change during that period, remaining at 14,900 jobs. Transportation & public utilities also remained unchanged over the year.

Trade has increased by a substantial 1,800 jobs over the last year, despite a poor performance by wholesale trade. The finance, insurance & real estate sector has increased by 400 jobs over the year, with an increase in banking of 100 and in insurance of 200. Service employment has increased by 1,200 with all subsectors showing increases. Government increased by 1,500 jobs over last May, virtually all in education-related state and local government.

	Prel.	Revised		Change From	
	May. 1989	Apr. 1989	May. 1988	Apr. 1989	May.1988
Civilian Labor Force	263,800	262,100	263,000	+1,700	+ 800
Employment	250,900	248,000	247,000	+2,900	+3,900
Unemployment	12,900	14,100	16,000	-1,200	-3,100
Rate	4.9%	5.4%	6.1%		



ESTIMATED NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT (JOBS)
(Prepared in cooperation with the U.S. Bureau of Labor Statistics)

ALBUQUERQUE MSA (BERNALILLO COUNTY)	PRELIM MAY 1989	REVISED APR 1989	REVISED MAY 1988	MAY CHANGE FROM APR 1989	MAY CHANGE FROM MAY 1988
TOTAL NONAGRICULTURAL EMPLOYMENT 1/	240,300	239,600	235,300	700	5,000
MINING	100	100	200	0	-100
CONSTRUCTION	14,900	14,600	14,900	300	0
MANUFACTURING	20,500	20,600	20,300	-100	200
Durable Goods	14,800	14,900	14,700	-100	100
Nondurable Goods	5,700	5,700	5,600	0	100
TRANSPORTATION & PUBLIC UTILITIES	12,700	12,700	12,700	0	0
Transportation	6,900	6,900	6,600	0	300
Communication	3,600	3,600	3,700	0	-100
Elec, Gas, & Sanitary Services	2,200	2,200	2,400	0	-200
WHOLESALE & RETAIL TRADE	61,700	60,900	59,900	800	1,800
WHOLESALE TRADE	14,200	14,200	14,400	0	-200
Durable Goods	9,400	9,400	9,500	0	-100
Nondurable Goods	4,800	4,800	4,900	0	-100
RETAIL TRADE	47,500	46,700	45,500	800	2,000
General Merchandise Stores	4,900	4,700	4,600	200	300
Food Stores	5,500	5,300	5,100	200	400
Auto Dealers & Service Stations	5,000	5,000	5,000	0	0
Eating & Drinking Places	19,100	18,800	18,100	300	1,000
Other Retail Trade	13,000	12,900	12,700	100	300
FINANCE, INSURANCE, & REAL ESTATE	15,300	15,200	14,900	100	400
Banking	3,400	3,400	3,300	0	100
Ins Carriers, Agents & Brokers	4,700	4,700	4,500	0	200
Other Fin, Ins & Real Estate	7,200	7,100	7,100	100	100
SERVICES	67,100	67,100	65,900	0	1,200
Hotels & Other Lodging Places	3,700	3,600	3,700	100	0
Personal Services	3,200	3,400	3,000	-200	200
Business Services	22,000	21,900	21,900	100	100
Health Services	15,200	15,100	15,000	100	200
Social Services	3,400	3,300	3,200	100	200
Membership Organizations	2,000	2,000	2,000	0	0
Other Services	17,600	17,800	17,100	-200	500
TOTAL GOVERNMENT	48,000	48,400	46,500	-400	1,500
FEDERAL GOVERNMENT	13,700	13,600	13,500	100	200
STATE & LOCAL GOVERNMENT	34,300	34,800	33,000	-500	1,300
State Government	12,700	13,300	12,100	-600	600
Local Government	21,600	21,500	20,900	100	700

1/ Estimates include all full-time and part-time wage and salary workers who worked or received pay during the pay period which included the 12th day of the month. Self-employed, family workers, household workers and members of the Armed Forces are excluded.

ESTIMATED NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT (JOBS)
(Prepared in cooperation with the U.S. Bureau of Labor Statistics)

LAS CRUCES MSA (DONA ANA COUNTY) 1/	PRELIM MAY 1989	REVISED APR 1989	REVISED MAY 1988	MAY CHANGE FROM APR 1989	MAY CHANGE FROM MAY 1988
TOTAL NONAGRICULTURAL EMPLOYMENT 2/	42,050	42,050	40,700	0	1,350
MINING	50	50	50	0	0
CONSTRUCTION	2,300	2,300	2,200	0	100
MANUFACTURING	3,600	3,600	3,700	0	-100
Durable Goods	1,600	1,600	1,600	0	0
Nondurable Goods	2,000	2,000	2,100	0	-100
TRANSPORTATION & PUBLIC UTILITIES	1,350	1,350	1,400	0	-50
Transportation	500	500	550	0	-50
Comm, Elec, Gas & Sanitary Svs	850	850	850	0	0
WHOLESALE & RETAIL TRADE	9,100	9,000	8,700	100	400
WHOLESALE TRADE	950	950	900	0	50
RETAIL TRADE	8,150	8,050	7,800	100	350
General Merchandise Stores	850	850	850	0	0
Food Stores	1,150	1,150	1,100	0	50
Auto Dealers & Service Stations	1,050	1,050	950	0	100
Eating & Drinking Places	3,200	3,200	3,200	0	0
Other Retail Trade	1,900	1,800	1,700	100	200
FINANCE, INSURANCE, & REAL ESTATE	1,750	1,750	1,650	0	100
SERVICES	6,700	6,800	6,300	-100	400
Hotels & Other Lodging Places	700	700	700	0	0
Business Services	1,350	1,350	1,300	0	50
Health Services	1,850	1,850	1,800	0	50
Social Services	300	300	300	0	0
Other Services	2,500	2,600	2,200	-100	300
TOTAL GOVERNMENT	17,200	17,200	16,700	0	500
FEDERAL GOVERNMENT	4,300	4,200	4,300	100	0
STATE & LOCAL GOVERNMENT	12,900	13,000	12,400	-100	500
State Government	7,100	7,300	6,800	-200	300
Local Government	5,800	5,700	5,600	100	200

SANTA FE MSA (SANTA FE & LOS ALAMOS COUNTIES) 1/	PRELIM MAY 1989	REVISED APR 1989	REVISED MAY 1988	MAY CHANGE FROM APR 1989	MAY CHANGE FROM MAY 1988
TOTAL NONAGRICULTURAL EMPLOYMENT 2/	56,000	55,250	54,850	750	1,150
MINING	100	100	50	0	50
CONSTRUCTION	2,500	2,400	2,600	100	-100
MANUFACTURING	1,650	1,650	1,600	0	50
Durable Goods	1,050	1,050	1,000	0	50
Nondurable Goods	600	600	600	0	0
TRANSPORTATION & PUBLIC UTILITIES	1,100	1,100	1,200	0	-100
Transportation	450	450	450	0	0
Comm, Elec, Gas & Sanitary Svs	650	650	750	0	-100
WHOLESALE & RETAIL TRADE	11,150	10,900	10,750	250	400
WHOLESALE TRADE	900	900	850	0	50
RETAIL TRADE	10,250	10,000	9,900	250	350
General Merchandise Stores	950	950	950	0	0
Food Stores	1,250	1,250	1,150	0	100
Auto Dealers & Service Stations	850	800	800	50	50
Eating & Drinking Places	4,600	4,500	4,400	100	200
Other Retail Trade	2,600	2,500	2,600	100	0
FINANCE, INSURANCE, & REAL ESTATE	1,900	1,900	2,000	0	-100
SERVICES	15,050	14,550	14,500	500	550
Hotels & Other Lodging Places	2,150	2,000	2,050	150	100
Business Services	3,200	3,200	3,200	0	0
Health Services	3,600	3,600	3,400	0	200
Social Services	800	750	750	50	50
Other Services	5,300	5,000	5,100	300	200
TOTAL GOVERNMENT	22,550	22,650	22,150	-100	400
FEDERAL GOVERNMENT	1,650	1,550	1,650	100	0
STATE & LOCAL GOVERNMENT	20,900	21,100	20,500	-200	400
State Government 3/	16,800	16,800	16,300	0	500
Local Government	4,100	4,300	4,200	-200	-100

1/ In accordance with the CES Manual, those published cells with less than 2,000 employees are rounded to nearest 50. Those published cells with more than 2,000 employees are rounded to 100.
2/ Estimates include all full-time and part-time wage and salary workers who worked or received pay during the pay period which included the 12th day of the month. Self-employed, family workers, household workers and members of the Armed Forces are excluded.
3/ Includes employees of Los Alamos National Laboratory.

AVERAGE HOURS AND EARNINGS

Hours and Earnings of Production, Construction and Nonsupervisory Employees
(Prepared in cooperation with the U. S. Bureau of Labor Statistics)

NEW MEXICO	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	MAY 1989	APR 1989	MAY 1988	MAY 1989	APR 1989	MAY 1988	MAY 1989	APR 1989	MAY 1988
MINING	$552.34	$537.35	$551.44	44.4	43.3	45.2	12.44	12.41	12.20
CONSTRUCTION	$424.54	$446.06	$424.13	38.7	39.3	37.7	10.97	11.35	11.25
MANUFACTURING	$349.34	$350.47	$358.50	40.2	40.1	40.6	8.69	8.74	8.83
Durable Goods	$359.64	$362.64	$373.19	40.5	40.7	41.1	8.88	8.91	9.08
Nondurable Goods	$299.85	$300.31	$319.48	38.1	38.7	39.2	7.87	7.76	8.15
COMMUNICATION & UTILITIES	$552.75	$531.55	$540.40	40.2	39.2	40.0	13.75	13.56	13.51
WHOLESALE & RETAIL TRADE	$214.01	$209.56	$205.36	31.8	31.0	31.4	6.73	6.76	6.54
Wholesale Trade	$338.91	$341.88	$324.45	38.6	38.5	34.7	8.78	8.88	9.35
Retail Trade	$189.39	$183.49	$182.34	30.4	29.5	30.8	6.23	6.22	5.92
BANKING	$253.93	$248.57	$222.00	37.9	37.1	37.0	6.70	6.70	6.00
ALBUQUERQUE MSA	MAY 1989	APR 1989	MAY 1988	MAY 1989	APR 1989	MAY 1988	MAY 1989	APR 1989	MAY 1988
MANUFACTURING	$375.72	$373.46	$377.10	40.4	40.2	40.9	9.30	9.29	9.22
Durable Goods	$401.29	$398.11	$395.85	41.2	41.0	41.8	9.74	9.71	9.47
Nondurable Goods	$299.44	$298.17	$316.23	38.0	37.6	38.1	7.88	7.93	8.30

NOTE: Estimates include all full-time and part-time wage and salary workers who worked or received pay during the pay period which included the 12th day of the month. Self-employed, family workers, household workers and members of the Armed Forces are excluded. The average earnings are "gross" reflecting not only changes in basic hourly and incentive wage rates but also such factors as premium pay for overtime and shift differentials. The work week information relates to the average hours for which pay was received, and is different from standard or scheduled hours due to absenteeism, labor turnover, part time work, overtime work etc.

****

U.S. CONSUMER PRICE INDEX

Historical data for the CPI series are available from the U.S. Department of Labor by writing to the Bureau of Labor Statistics, 525 Griffin St., Rm. 221, Dallas, TX 75202, or by calling (214) 767-6970.

	May 1989	Apr.1989	May. 1988	Percent Change Apr.'89-May '89	Percent Change May '88-May '89
CPI-U	123.8	123.1	117.5	+0.6%	+5.4%
CPI-W	122.5	121.8	116.2	+0.6%	+5.4%

Index Base Year 1982-84 = 100

CPI-U - All Urban Consumers
CPI-W - Urban Wage Earners and Clerical Workers

Source: U.S. Department of Labor, Bureau of Labor Statistics

Area Economic Activity

Statewide: Eleven of New Mexico's 24 savings and loans lost money in 1988. The losses totaled $494 million or three times the losses of 1984. New Mexico banks are in fairly good condition with only thirteen out of 90 New Mexico banks reporting negative return on assets for 1988. Southwest Distributing Co. plans to close its branch warehouses by the end of July as part of a statewide consolidation. A large central warehouse for the food and beverage distributor in Albuquerque was completed recently. As a result, company branch warehouses in Farmington, Santa Fe, Roswell and Las Cruces will close and operations will move to Albuquerque. According to statistics compiled by Grant Thornton, a national management consulting firm, organized labor continued to decline in New Mexico manufacturing industries last year. According to the survey, the proportion of manufacturing workers that are unionized in New Mexico declined from 15.3 percent in 1984 to 10.4 percent last year. Northern New Mexico's apple and cherry crops were severely damaged by a series of cold nights in late April and early May.

Albuquerque Area: Intel Corp. has laid off 35 employees at its Rio Rancho plant as part of a companywide cost cutting program announced in April. The employees laid off were in administrative, management and engineering areas. Originally, Intel's plan was to lay off 80 of the 1,450 employees at the Rio Rancho plant. The Beach Water Park opened in late May for its third season. Roadway Package System (RPS), a small-package delivery service, opened a terminal in Albuquerque in May. RPS terminal, on Commercial Avenue N.E., employs about 20 people including package handlers, management staff, and seven independent pickup/delivery contractors. The Marriott hotel plans to open a Residence Inn on the north side of I-40 and south of American Square. Residence Inn will consist of 14 two-story buildings with eight suites in each. Groundbreaking is scheduled for August. American Telephone & Telegraph Co. will move four of its existing Albuquerque offices to a new building in September. The one-story office and warehouse complex, to be known as the AT&T Building, is being built in the Broadbent Business Park on Menaul Blvd. N.E. The AT&T groups that will move to the new location are large and small business sales and services, the long-distance network staff, the staff which sells to various military agencies, AT&T's computer operators and the staff which moves and stores AT&T materials. AT&T's largest facility in the state, operator services, will remain at 2400 Wellesley N.E. The Albuquerque VA Medical Center may receive about $1.5 in emergency funding. The Albuquerque VA hospital was forced to close 50 of the 300 beds it had been operating and reduce services to many veterans because of national budgetary shortfalls. Regardless of whether the hospital receives emergency money, the 30 bed special ward that helps prepare the chronic mentally ill for independent living will be restored. Hardee's has closed two of its four fast-food restaurants in the Albuquerque area due to a lack of business. Twenty-seven employees were offered employment at two remaining locations. Zinn's Bakeries have closed their two locations at Montgomery Blvd. N.E. and Kathryn Ave. S.E. Cottonwood Mall, the proposed shopping center on Albuquerque's West Side, is expecting to break ground late in 1990. The mall, which will be located on Coors Road north of Paseo del Norte, is expected to open in 1992.

Alamogordo Area: Fire danger shut down logging and road building in the Lincoln National Forest in the latter part of May, idling about 45 employees. Logging won't resume until the forest gets a good rain. Groundbreaking ceremonies were held in late May for a half-million dollar improvement program at Alamogordo White Sands Regional Airport. Highland Construction of Las Cruces is the contractor for the program, which will add safety measures and added parking capacity. Quality Plus grocery store, located on 10th Street and College Avenue, closed its doors in June. The store employs 39 people, and Alamogordo employees will be offered transfers within the chain. Peter Piper Pizza representatives have announced that they will be opening a pizza parlor in Alamogordo. They will be hiring approximately 40 people locally. Opening date is set for mid-July.

Artesia Area: The new Federal Law Enforcement Center is scheduled to open this fall. The federal government purchased the site for about $600,000 and will spend $6.4 million on renovations and additions. The center will bring 120 to 130 positions to Artesia to train agents of the U.S. Border Patrol, Immigration and Naturalization Service, Bureau of Land Management, National Park Service, Custom Service and Fish & Wildlife Service.

Belen / Los Lunas Area: Construction for the new Wal-Mart began this month. The estimated cost of

the store is $1.7 million. The work is expected to be complete in about eight months. Valencia Presbyterian Hospital recently laid off eight employees because of a decreasing number of patients, and the future existence of the hospital is in question. One reason cited for the drop in patients has been the recent expansion of Health Maintenance Organizations which mandate that subscribers use hospitals in Albuquerque.

Carlsbad Area: The AMAX Potash Corp. announced two years ago that because of poor market and economic conditions within the potash industry, it would close by the end of 1989. Today, the company employs 330 people and is developing a new ore zone that should employ an additional 30 people. The state's potash industry has taken a dramatic upturn thanks to an anti-dumping agreement with Canada. The five-year agreement, signed in January 1988 by the U.S. government and Canadian potash producers, prohibits Canada from selling potash in the U.S. market at prices below average production costs.

Clovis / Portales Area: Construction of a new Portales National Guard Armory is scheduled to begin in late 1990. A site near the municipal airport has been tentatively selected. A firm that renovates passenger aircraft, Erickson Remmert, is making plans to locate in Fort Sumner. Erickson Remmert, a subsidiary of Aerosierra of Durango, Mexico, is negotiating a five-year contract with the City of Clovis. If negotiations are successful, Erickson Remmert will employ 20 people initially. Hilltop Plaza held its grand opening celebration in early June.

Deming Area: Cyprus Minerals Corporation (CMC) has proposed reactivation of the Asarco copper mill west of Deming. CMC's proposal has been submitted to the New Mexico Environmental Improvement Division for approval and is currently being reviewed. CMC will spend $1 million to $1.5 million to rehabilitate the mill and construct tailings ponds. CMC officials estimate the mill would generate 30 jobs in Luna County and would process a projected 400 tons of zinc and copper ore daily. Groundbreaking ceremonies were held for construction of a new Border Foods plant at the Deming Industrial Park in early June. The building is expected to be complete by August 1990. The work force, currently at 35 permanent positions year round and seasonal employment at over 400, is expected to grow with the new plant. Border Foods Inc. specializes in the processing of green chilies and jalapenos.

Espanola Area: The city of Espanola will receive a $295,000 federal grant for the construction of a senior center. The center will house facilities for treatment of stroke victims. The cost of the project is estimated to be more than $1 million.

Farmington Area: A pipeline to be built in the San Juan Basin this summer may provide hundreds of temporary jobs. Between 200 to 300 construction workers are expected to be employed. The pipeline is called a 'gathering system' because it will collect natural gas from as many as 400 coal seam wells. U.S. Enertek Inc., one of San Juan County's largest employers, has reorganized under Chapter 11. The Farmington-based company employs 180 people. Farmington's issuance of building permits remained sluggish in April. Farmington issued four permits to build single family dwellings and one commercial building permit. P&A Inc. laid off 15 employees due to oil field work slowing down.

Hobbs Area: Hobbs building permits shot up in April thanks to the construction of a new Furr's Supermarket in the Broadmoor Mall. The project will cost up to $2.28 million bringing the month's permit total to $2,367,000. This compares to permits valued at $597,000 in March and $602,600 in April of 1988. Total building permits issued stand at $3.8 million compared to $1.9 million issued last year at this time. Recent weekly oil rig counts show between 12 and 14 operating rigs for the Lea County area. Auto Zone is scheduled to open this month and about 15 people will be hired. Bids for construction of the Robert Moran Petroleum and Technology Building will be opened in late July. Actual construction of the building is expected to cost about $2.7 million.

Las Cruces Area: Strategic Defense Initiative (SDI) officials will select the technology for the Ground Based Free Electron Laser (GBFEL) located near Orogrande at White Sands Missile Range. The two companies vying for the design contract, which is to be awarded in September, are Boeing Aerospace and TRW Space and Technology Group. Since 1987, about $453 million has been allocated to the SDI experiment. A Houston company plans a $21 million hospital in Las Cruces. Lakeland Health Care Co. expects to break ground in about five months for a 100-bed general hospital east of the Mesilla Valley Mall.

Las Vegas Area: A new Wal-Mart in Las Vegas, expected to open this fall, could provide 155 jobs to area residents. Wal-Mart has 1,285 stores in 25

states, including 15 in New Mexico.

Raton Area: The Pittsburg and Midway Coal Mining Co. is adding 24 union employees to its permanent workforce at the York Canyon complex. Other developments for the mine include a new contract between P&M and the United Mine Workers of America, plans to run the surface mine drag line, plans to run pre-stripping operations at the surface mine, a test burn of York Canyon coal being conducted this month by Public Service Company of Colorado, and the addition of several supervisors and company employees.

Ruidoso Area: The Ruidoso Downs of New Mexico racetrack kicked off its four month racing season in May. Apache Future Inc. opened for business with 18 employees. The company expects to employ 100 people by year end and perhaps 200 to 300 by Christmas of 1990. The Apache Future Company repairs passenger bus parts and computer circuit boards, and is getting a machine shop ready to manufacture bus parts along with electrical wiring for rail cars, air conditioners and forklifts. An agreement between Molycorp Inc. and the Mescalero Apache Tribe to mine two elements on the reservation has been signed. A joint leasing-operating agreement to develop a deposit of yttrium and zirconium on the reservation in southeastern New Mexico has been announced.

Santa Fe Area: The Picuris Pueblo and real estate developers will ask the Bureau of Indian Affairs to guarantee payment on an all-suites hotel south of downtown Santa Fe. If the federal agency approves, construction could begin as early as August. Eight Pueblos have joined in an effort to open a Pueblo North Market Center to be located on the Tesuque reservation. The center should be opened within the next two years. The center plans to include a museum, a retail center, a traditional foods restaurant, an outdoor village, an amphitheater, a training center and research unit and archive. The supervisor of the Santa Fe National Forest ruled recently that a decision made by forest officials to allow pumice mining in the Jemez Mountains was correct despite objections from local residents and environmentalists. Construction of single family housing continued to dominate building activity in Santa Fe in the first quarter of 1989. For the first three months of the year, construction of single-family housing, including single-family detached houses, condominiums and townhouses, totaled 73 percent of the construction in Santa Fe. Bellamah Community Development, which is owned mostly by Public Service Company of New Mexico, had promised to give the City of Santa Fe about 27.4 acres of right of way at the western edge of Tierra Contenta for the Santa Fe bypass. However, Bellamah has filed a federal bankruptcy petition and the original owner of the land is suing for foreclosure. The State of New Mexico will file suit to condemn the land in Tierra Contenta. Construction is expected to begin in September on a new downtown hotel, Plaza Real, a 45-room hotel which should be open next April. A union-based partnership, ERISA Mortgage Co. of Albuquerque, obtained financing for the $4.5 million hotel. The site is now a parking lot next to the Santa Fe Public Library. A new restaurant called Comecalle will be open by the second week in June. La Fonda, Santa Fe's oldest hotel, will add a 7,500 square feet meeting room, capable of seating 500 people, and 20 to 30 new suites. Santa Cruz Dam will undergo a complete overhaul late this summer and a fresh coat of concrete will be set. Twin Mountain Construction Co. of Albuquerque was awarded the contract. The company will employ as many as 100 people when it starts pouring concrete in September.

Silver City Area: Casco de Oro, a Nevada corporation, is moving closer to opening a placer gold mine in the Knight Peak area of the Burro Mountains. Procedures to mine 700,000 tons of ore over a 3 to 5 year period are being pursued. Up to 86 persons could be employed if the mine opens. Improvements to the Hurley smelter continue--Chino Mines Co. is planning to spend about $12 million at the plant this summer. During the peak of construction work about 200 workers will be employed on maintenance and modification projects. This year's work will focus on general maintenance and repair, improvements and upkeep on environmental controls, and installation of equipment. Environmentalists plan to make the sale of 8500 acres of undeveloped wilderness in the Gila National Forest the target of a legal battle against the U.S. Forest Service, which sold part of the site to Stone Forest Industries. The timing of the sale is one issue and the presence of a rare owl is another.

Tucumcari Area: A $2.6 million truck stop that will employ approximately 150 people will be built at the First Street and I-40 interchange. The truck stop, called McStop, will include a large McDonald's restaurant and an Exxon service station. Construction will begin on August 1 and McStop plans to open at the end of September.

Unemployment Insurance Claimant Characteristics

An important indicator of the strengths and weaknesses of an economy is the administrative data from the Unemployment Insurance Program. The New Mexico Department of Labor maintains records on people filing for unemployment compensation in New Mexico. Claimant characteristic data is maintained by age, sex, occupation, industry, ethnic origin, and claim duration. Changes in these areas for the insured unemployed are reflected in the following table and charts.

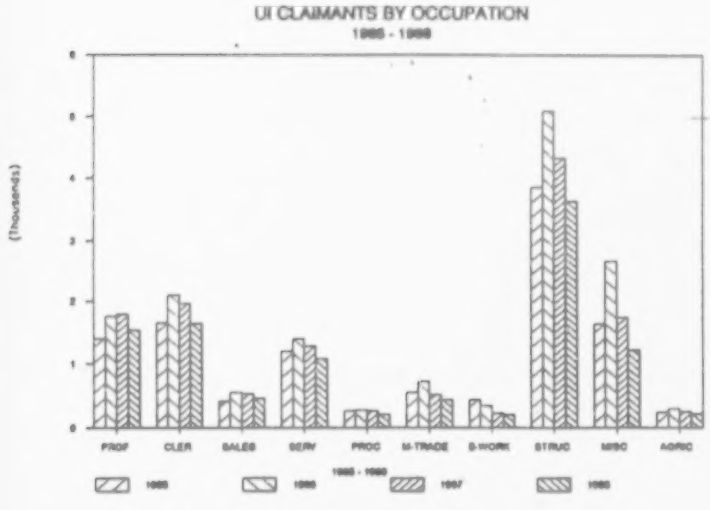
The most dramatic changes occurred in 1986. During this time, there were substantial increases in claimants in the professional, clerical, structural, building occupation and miscellaneous occupation categories. The 1986 upsurge in these categories remained level through 1987 before declining to 1985 levels in 1988.

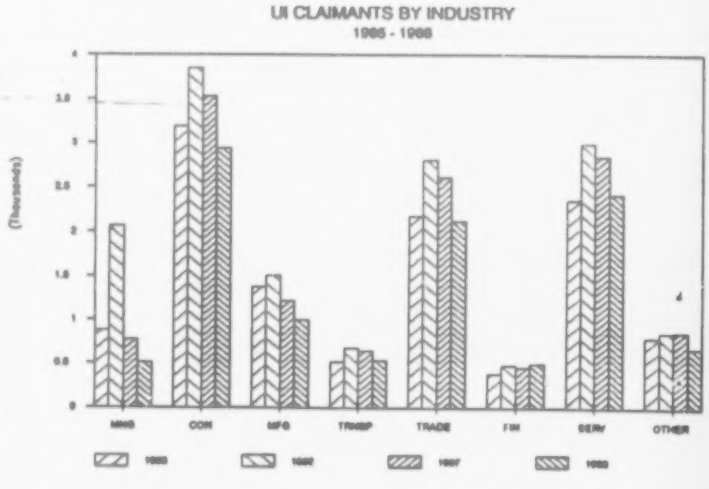
Between 1985 and 1988, there was only slight variation in the share that each industrial sector represented of total claims with the dramatic exception of the mining industry which increased from 7.5 to 13.6 percent of the total from 1985 to 1986. This was attributable to the downturn in the oil and gas industry. Another exception was the finance, insurance, and real estate sector, which rose from 3.3% in 1985 to 4.6% in 1988. Other industries which were adversely affected by economic conditions between 1985 and 1988 were the construction and transportation sectors. Both of these sectors experienced a similar, although smaller, increase in insured unemployment.

As the following table demonstrates, about 62 percent of the insured unemployed are between the ages of 25 and 44. This remains constant throughout all four years. In addition, there was little variation in the ethnic make up of the claimant population. Hispanics made up about 50 percent of the whole, while white (not hispanic) and nonwhite (Native American, Asian, and Black) made up the remainder. The male-female ratio for the insured unemployed remained stable at about two-thirds male and one-third female except in 1986 when the male proportion became significantly larger. This may be because of the direct affect the downturn in the oil and gas industry had on male-dominated industries and occupations, particularly mining and construction.

There was little variation in claim duration during this four-year period. The highest concentration of the insured unemployed is in the 5 - 14 week interval. About one-third of the claims were in the five-week-or-less intervals.

The years 1987 and 1988 reflect declines in the total number of insured unemployed. Following the nationwide trend in reduced claims, 1989 will probably see continued declines in insured unemployment for most categories in the claimant characteristics data.





NEW MEXICO UI CLAIMANT CHARACTERISTICS -- 1985 THROUGH 1988

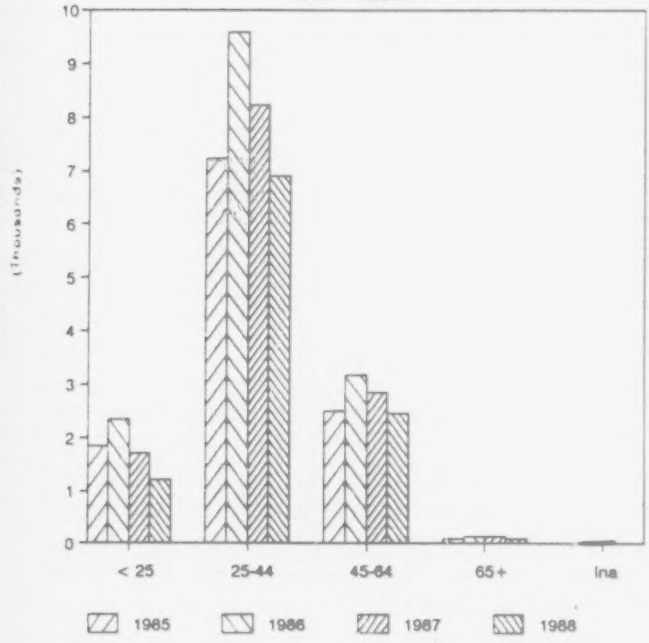
	1985		1986		1987		1988		PERCENTAGE CHANGE		
	NO.	% OF TOTAL	NO.	% OF TOTAL	NO.	% OF TOTAL	NO.	% OF TOTAL	85 - 86	85 - 87	85 - 88
TOTAL	11,677	100	15,222	100	12,920	100	10,672	100	30.4	10.6	-8.6
SEX											
Male	7,971	68.3	11,029	72.5	8,817	68.2	7,208	67.5	38.4	10.6	-9.6
Female	3,706	31.7	4,193	27.5	4,103	31.8	3,464	32.5	13.1	10.7	-6.5
AGE											
Under 25	1,842	15.8	2,349	15.4	1,720	13.3	1,221	11.4	27.5	-6.6	-33.7
25-44	7,238	62.0	9,582	62.9	8,226	63.7	6,912	64.8	32.4	13.6	-4.5
45-64	2,508	21.5	3,163	20.8	2,843	22.0	2,448	22.9	26.1	13.4	-2.4
65+	88	0.8	127	0.8	128	1.0	91	0.8	43.4	44.9	2.6
Ina	1	0.0	1	0.0	3	0.0	0	0.0	0.0	200.0	-100.0
ETHNIC ORIGIN											
White	4,496	38.5	6,199	40.7	5,299	41.0	4,091	38.3	37.9	17.9	-9.0
Hispanic	5,932	50.8	7,437	48.9	6,202	48.0	5,196	48.7	25.4	4.6	-12.4
Nonwhite	1,249	10.7	1,586	10.4	1,419	11.0	1,385	13.0	27.0	13.6	10.9
OCCUPATION											
Professional	1,404	12.0	1,757	11.5	1,788	13.8	1,535	14.4	25.2	27.4	9.3
Clerical	1,647	14.1	2,096	13.8	1,960	15.2	1,636	15.3	27.2	19.0	-0.7
Sales	419	3.6	556	3.7	528	4.1	462	4.3	32.6	26.0	10.1
Services	1,200	10.3	1,399	9.2	1,283	9.9	1,086	10.2	16.6	7.0	-9.5
Processing	266	2.3	284	1.9	262	2.0	205	1.9	6.6	-1.5	-23.1
Machine Trades	554	4.7	726	4.8	520	4.0	444	4.2	31.1	-6.2	-19.9
Benchwork	443	3.8	345	2.3	236	1.8	209	2.0	-22.2	-46.7	-52.8
Structural	3,864	33.1	5,096	33.5	4,340	33.6	3,644	34.1	31.9	12.3	-5.7
Miscellaneous	1,639	14.0	2,664	17.5	1,742	13.5	1,225	11.5	62.6	6.3	-25.3
Agricultural	241	2.1	299	2.0	261	2.0	226	2.1	24.1	8.2	-6.1
INDUSTRY											
Mining	879	7.5	2,067	13.6	767	5.9	504	4.7	135.3	-12.7	-42.6
Construction	3,198	27.4	3,855	25.3	3,538	27.4	2,936	27.5	20.5	10.6	-8.2
Manufacturing	1,378	11.8	1,503	9.9	1,219	9.4	1,001	9.4	9.1	-11.5	-27.3
Transportation	511	4.4	673	4.4	641	5.0	529	5.0	31.9	25.6	3.6
Trade	2,177	18.6	2,799	18.4	2,603	20.1	2,119	19.9	28.6	19.6	-2.7
Finance	381	3.3	473	3.1	449	3.5	487	4.6	24.3	17.9	27.9
Services	2,358	20.2	2,995	19.7	2,843	22.0	2,423	22.7	27.0	20.5	2.7
Other	795	6.8	857	5.6	860	6.7	673	6.3	7.7	8.2	-15.3
CLAIM DURATION											
1-2 Weeks	2,314	19.8	3,115	20.5	2,472	19.1	1,975	18.5	34.6	6.8	-14.6
3-4 Weeks	1,525	13.1	1,964	12.9	1,535	11.9	2,230	20.9	28.8	0.7	46.2
5-14 Weeks	4,916	42.1	6,389	42.0	5,429	42.0	4,137	38.8	30.0	10.4	-15.9
15+ Weeks	2,922	25.0	3,754	24.7	3,484	27.0	2,330	21.8	28.5	19.2	-20.3

*** Information based on individuals certifying for a week of unemployment

NEW MEXICO UI CLAIMANT CHARACTERISTICS

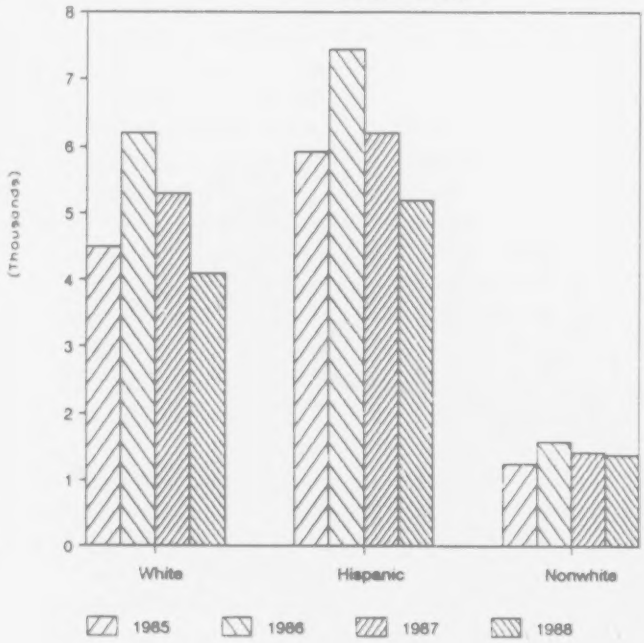
UI CLAIMANTS BY AGE

1985 - 1988



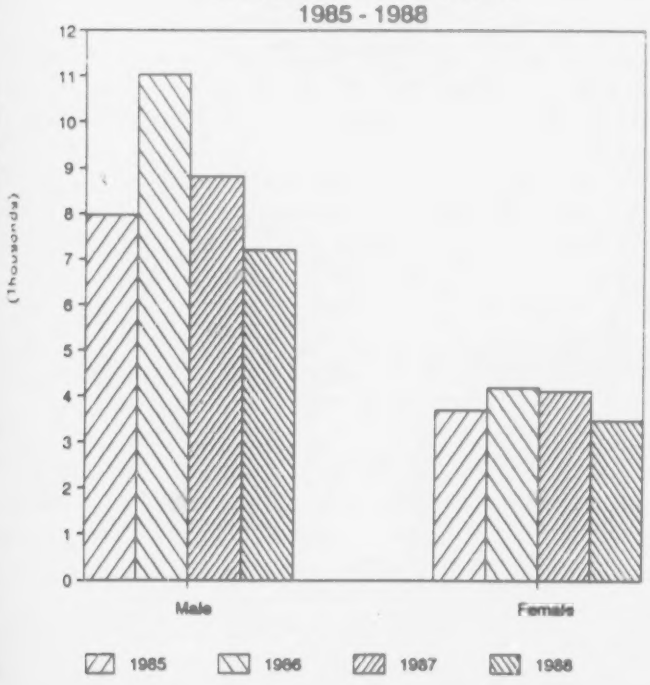
UI CLAIMANTS BY ETHNIC ORIGIN

1985 - 1988



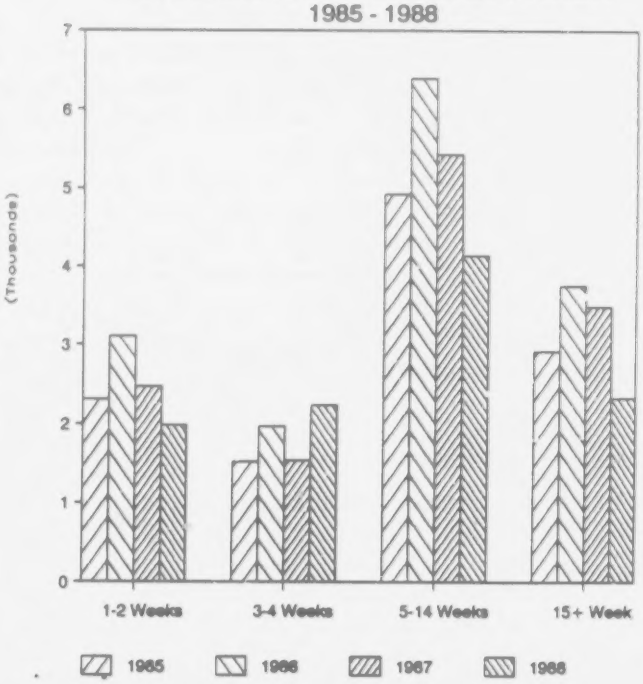
UI CLAIMANTS BY SEX

1985 - 1988



UI CLAIMANTS – CLAIM DURATION

1985 - 1988



UNEMPLOYMENT INSURANCE (UI) PROGRAM
QUALITY CONTROL ANNUAL REPORT
CALENDAR YEAR 1988

The New Mexico Department of Labor administers the Unemployment Insurance (UI) Program which provides financial assistance to individuals who are unemployed through no fault of their own and who meet the eligibility requirements according to UI statutes and policies. In order to determine eligibility, the Department examines and evaluates information submitted by claimants and employers. The quality of the determinations issued are dependent on the accuracy of this information.

The Quality Control (QC) Program is a new initiative specifically implemented to monitor the accuracy of the payments issued within the UI system. The objectives are to: 1) identify the types, causes and rates of proper and improper payments and 2) to recommend, initiate and coordinate operational and administrative corrective action plans to eliminate the deficiencies causing the improper payments. A random sample of UI payments are selected each week and an in-depth investigation is conducted on each case. Claimants selected are interviewed in person to obtain detailed information on the UI payment. The work search contacts listed on the certifications, the reason for separation from employment and wage records are then verified by contacting employers. The time allocated to audit each of the cases selected ranges between 16-20 hours as opposed to the 42 minutes allocated to process the initial claims and 6 minutes for the weeks claimed.

The 1988 calendar year QC results are displayed in the table on the following page. The majority of UI benefit overpayments was related to the claimant's failure to engage in an active work search or failure to properly report earnings or interim employment while filing for UI benefits. Approximately two-thirds of these work search or earnings-related overpayments were determined to involve fraud on the claimant's part. Overpayments involving fraud are handled by the Department through legal proceedings. Overpayments not related to the claimant were as follows: Improper payments caused by employer reporting errors were .8% of all UI payments sampled. These were mainly attributable to failure to report wages or reporting wages when earned rather than when paid as required by state law and regulation. Of UI payments sampled, overpayments of 1.9% were the result of Agency administrative procedures. The remaining overpayments (2.5%) had shared responsibility.

A UI Committee has been established by QC to review weaknesses in the UI Program identified by the Quality Control Section. The committee recommends corrective action plans to correct deficiencies and reduce the improper payments. In addition, the Department maintains a Benefit Payment Control (BPC) Section assigned the responsibility of recovering benefits which have been determined to be paid incorrectly.

This first release of QC data provides the New Mexico Department of Labor with qualitative measurements necessary to evaluate the program in its entirety. First and foremost is the need to establish a balance between the emphasis placed on quality and quantity. In the past, the focus has mostly been on the quantitative measurements. The agency will respond by providing more training to the claimant, employer and agency staff regarding their role and responsibilities in the Unemployment Insurance Program. Better understanding and cooperation from employers and claimants will enhance the success of the program.

Additional Information is available upon request. Please write or call to:

New Mexico Department of Labor
Quality Control Section
P.O. Box 1928
Albuquerque, New Mexico 87102
Tele: (505) 841-8435

Unemployment Insurance Quality Control

Annual Report for Calendar Year 1988

	# of Payments	Dollars Paid
Population	461,596	$56,847,595
Sample Size	425	$52,150

	Percentage of Dollars	95% Confidence Interval (+/-)
Proper Payments	84.4%	3.5%
Overpayments	15.6%	3.5%
	100.0%	
Underpayments	0.6%	0.3%

Footnotes:

Claimants failing to conduct required work search are initially given formal warnings and no overpayments are established. The proper payment rate would be lower and the overpayment rate would be higher if these cases were counted as erroneous payments. The NMDOL issues formal warnings only in accordance with the Agency's established policy. Noncompliance with law, policy and procedure constitutes improper payments.

Percentages apply to less than a complete year of UI payments due to the State not pulling a sample for 1 week(s). A decision was made to provide much-needed training to the staff during this week.

Precision of percentage estimates reduced by State pulling samples below minimum prescribed levels for 5 week(s). NMDOL received verbal approval from USDOL to begin a special study.

Cases were not closed out within the period established to ensure their timely completion. All cases were investigated timely but some were not closed due to uncontrollable factors.

1.8% of cases in sample were not completed when this report was prepared. Eight cases were not completed due to uncontrollable factors.

NEW MEXICO LABOR FORCE ESTIMATES 1/

	PRELIMINARY MAY 1989				REVISED APRIL 1989				REVISED MAY 1988			
	Labor Force	Empl.	Unemp.	Rate	Labor Force	Empl.	Unemp.	Rate	Labor Force	Empl.	Unemp.	Rate
STATEWIDE	691,289	646,641	44,648	6.5%	683,730	635,729	48,001	7.0%	684,734	627,994	56,740	8.3%
ALBUQUERQUE MSA 2/	263,829	250,903	12,926	4.9%	262,117	247,983	14,134	5.4%	263,049	247,035	16,014	6.1%
LAS CRUCES MSA 3/	56,701	53,013	3,688	6.5%	54,889	51,070	3,819	7.0%	55,839	51,608	4,231	7.6%
SANTA FE MSA 4/	66,274	63,596	2,678	4.0%	64,776	62,078	2,698	4.2%	66,053	62,327	3,726	5.6%
Catron	1,145	1,066	79	6.9%	1,168	1,011	157	13.4%	1,142	1,031	111	9.7%
Chaves	24,277	23,022	1,255	5.2%	24,128	22,767	1,361	5.6%	23,240	21,643	1,597	6.9%
Cibola	9,213	8,277	936	10.2%	9,205	8,198	1,007	10.9%	9,151	8,096	1,055	11.5%
Colfax	6,955	6,177	778	11.2%	6,430	5,482	948	14.7%	6,728	5,660	1,068	15.9%
Curry	16,138	15,144	994	6.2%	16,239	15,122	1,117	6.9%	16,169	14,788	1,381	8.5%
De Baca	963	890	73	7.6%	956	863	93	9.7%	891	791	100	11.2%
Eddy	20,085	18,565	1,520	7.6%	20,257	18,618	1,639	8.1%	19,847	17,833	2,014	10.1%
Grant	10,336	9,550	786	7.6%	10,320	9,390	930	9.0%	10,580	9,619	961	9.1%
Guadalupe	1,770	1,569	201	11.4%	1,710	1,476	234	13.7%	1,607	1,370	237	14.7%
Harding	439	381	58	13.2%	428	368	60	14.0%	396	324	72	18.2%
Hidalgo	2,613	2,466	147	5.6%	2,593	2,448	145	5.6%	2,474	2,302	172	7.0%
Lea	22,881	21,415	1,466	6.4%	22,758	21,190	1,568	6.9%	22,225	20,611	1,614	7.3%
Lincoln	7,034	6,731	303	4.3%	6,695	6,306	389	5.8%	6,817	6,317	500	7.3%
Luna	6,092	5,408	684	11.2%	6,084	5,317	767	12.6%	5,983	5,128	855	14.3%
McKinley	17,774	16,295	1,479	8.3%	17,569	15,928	1,641	9.3%	17,798	15,651	2,147	12.1%
Mora	1,198	862	336	28.0%	1,208	815	393	32.5%	1,325	814	511	38.6%
Otero	19,072	17,780	1,292	6.8%	18,921	17,510	1,411	7.5%	18,658	16,994	1,664	8.9%
Quay	4,874	4,615	259	5.3%	4,817	4,547	270	5.6%	4,563	4,215	348	7.6%
Rio Arriba	13,545	11,662	1,883	13.9%	13,623	11,408	2,215	16.3%	13,932	11,431	2,501	18.0%
Roosevelt	7,023	6,704	319	4.5%	7,552	7,210	342	4.5%	7,007	6,520	487	7.0%
Sandoval	27,702	26,090	1,612	5.8%	26,830	25,060	1,770	6.6%	26,313	24,334	1,979	7.5%
San Juan	32,833	29,135	3,698	11.3%	32,163	28,817	3,346	10.4%	32,903	28,600	4,303	13.1%
San Miguel	9,900	9,004	896	9.1%	9,745	8,827	918	9.4%	10,104	8,797	1,307	12.9%
Sierra	2,680	2,583	97	3.6%	2,634	2,503	131	5.0%	2,524	2,374	150	5.9%
Socorro	5,878	5,517	361	6.1%	5,914	5,509	405	6.8%	6,130	5,530	600	9.8%
Taos	10,328	8,117	2,211	21.4%	10,412	8,137	2,275	21.8%	10,230	7,246	2,984	29.2%
Torrance	3,613	3,337	276	7.6%	3,585	3,261	324	9.0%	3,455	3,081	374	10.8%
Union	2,126	2,014	112	5.3%	2,112	1,979	133	6.3%	1,894	1,735	159	8.4%
Valencia	15,998	14,753	1,245	7.8%	15,892	14,531	1,361	8.6%	15,707	14,189	1,518	9.7%

1/ All estimates are made in strict accordance with methodology provided by the U. S. Department of Labor, Bureau of Labor Statistics

2/ Metropolitan Statistical Area - Bernalillo County

3/ Metropolitan Statistical Area - Doña Ana County

4/ Metropolitan Statistical Area - Santa Fe and Los Alamos Counties

New Mexico Department of Labor
Economic Research and Analysis (CC 6097)
P.O. Box 1928
Albuquerque, New Mexico 87103

JOB SERVICE

U.S. MAIL

POSTAGE AND FEES PAID
EMPLOYMENT SECURITY MAIL
LAB 440

Official Business
Penalty for Private Use, $300

FIRST CLASS MAIL

Congressional Info. Service
SRI
4520 East-West Highway
Bethesda, MD 20814

The New Mexico Department of Labor has completed revisions of the publications Large Employers in New Mexico By County, and Large Employers in the Albuquerque Area. Copies of these publications can be obtained at no charge by calling or writing to: NMDOL, Economic Research and Analysis Bureau, P.O. Box 1928, Albuquerque, NM 87107, Telephone No. (505) 841-8645.